

BRACEWELL & PATTERSON

2900 SOUTH TOWER PENNZOIL PLACE
HOUSTON, TEXAS 77002-2781
713 223 2900
CABLE BRACEPAT HOU
TELEX 76 2141

RECORDATION NO. 15012-A
FIRM 1425

MAY 4 1988-12 52 PM

INTERSTATE COMMERCE COMMISSION

May 3, 1988

2000 K STREET N.W.
WASHINGTON, D.C. 20006-1809
202 828 5800
TELEX 89 2573

22 GROSVENOR SQUARE
LONDON W1X 0DY
01 491 4805
TELEX 23459

100 CONGRESS AVENUE
AUSTIN, TEXAS 78701-4042
512 472 7800

8 125A070

Secretary, Interstate Commerce
Commission
Washington, D.C.

No. MAY 4 1988
Date
Fee \$ 13.00

Dear Secretary:

ICC Washington, D. C.

I have enclosed an original and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a secondary document dated as of March 31, 1988 and an amendment to a security agreement.

The primary document to which this document is connected is recorded under Recordation No. 15012.

The names and addresses of the parties to the documents are as follows:

Secured Party: The Chase Manhattan Bank (National
Association)
One Chase Manhattan Plaza
New York, New York 10081

Borrower: Sterling Chemicals, Inc.
333 Clay Street, Suite 3700
Houston, Texas 77002

A description of the equipment covered in the document is attached hereto as Schedule 1.

Included in the property covered by the primary document described above as amended by the secondary document described above are railroad cars intended for use related to

100-44-504
MAY 4 12 44 PM '88
MOTOR OPERATOR UNIT

Countersigned
Morgan memo

BRACEWELL & PATTERSON

Secretary, Interstate Commerce
Commission
May 3, 1988
Page 2

interstate commerce that will be owned by Sterling Chemicals, Inc. or its successors after the date of such primary document, as amended.

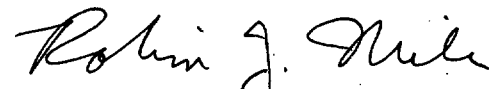
A fee of \$13.00 is enclosed. Please return the original and extra copies not needed by the Commission for recordation to Robin J. Miles.

A short summary of the document to appear in the index follows:

Second Amended and Restated Security Agreement dated as of March 31, 1988 between Sterling Chemicals, Inc., 333 Clay Street, Suite 3700, Houston, Texas 77002 and The Chase Manhattan Bank (National Association), One Chase Manhattan Plaza, New York, New York 10081 which amends the Security Agreement dated as of August 1, 1986 with Recordation No. 15012, covering 45 railroad tank cars.

Very truly yours,

Bracewell & Patterson


Robin J. Miles

RJM/jac
Enclosures

72RJMS/F

SCHEDULE 1

EXCLUDED PROPERTY

Acetic Acid Railcars Owned By Sterling:

<u>CAR NUMBER</u>	<u>DOT CLASSIFICATION</u>	<u>AAR DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY (K) GALLONS</u>
MONX-13349	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13352	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13354	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13358	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13359	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13362	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13364	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13369	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13374	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13373	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13376	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13377	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13379	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13381	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13382	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13383	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13385	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13386	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13387	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13389	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13390	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13391	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13392	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13394	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13395	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13396	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13397	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13398	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13399	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13600	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13601	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13602	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13603	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13605	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13607	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13608	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13609	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13611	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13612	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13613	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13614	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13615	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13616	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13617	DOT 111A60ALW1	T016	ACETIC ACID	23
MONX-13618	DOT 111A60ALW1	T016	ACETIC ACID	23

Interstate Commerce Commission

Washington, D.C. 20423

5/4/88

OFFICE OF THE SECRETARY

Robin J. Miles
Bracewell & Patterson
2900 South Tower Pennzoil Place
Houston, Texas 77002-2781

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/4/88 at 12:50pm, and assigned recordation number(s). 15012-A

Sincerely yours,

Narta L. McEue
Secretary

Enclosure(s)

MAY 4 1988-12 52 PM

INTERSTATE COMMERCE COMMISSION

SECOND AMENDED AND RESTATED SECURITY AGREEMENT dated as of March 31, 1988 among Sterling Chemicals, Inc., a Delaware corporation ("Sterling"), and THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), as agent for the Secured Parties referred to below (in such capacity, together with its successors in such capacity, the "Agent").

WHEREAS, Sterling, certain Banks and The Chase Manhattan Bank (National Association), as agent, entered into a Credit Agreement dated as of August 1, 1986, as amended by the Supplement and Amendment Agreement dated as of September 2, 1986, Amendment No. 2 dated as of December 10, 1986 and the Amended and Restated Credit Agreement dated as of August 1, 1986 (the "Credit Agreement");

WHEREAS, Sterling, said Banks and The Chase Manhattan Bank (National Association), as agent, have entered into a Second Amended and Restated Credit Agreement (as modified and supplemented and in effect from time to time, the "Amended Credit Agreement") dated as of March 31, 1988 in order to amend the Credit Agreement to make certain changes in the terms and conditions thereof and in connection therewith to restate the Credit Agreement;

WHEREAS, to induce said Banks to enter into the Credit Agreement and for other good and valuable consideration, Sterling and the Agent entered into a Security Agreement dated as of August 1, 1986, as amended by the Amended and Restated Security Agreement dated as of August 1, 1986 (the "Security Agreement"), pursuant to which Sterling agreed to pledge and grant a security interest in the Collateral (as therein defined); and

WHEREAS, Sterling, said Banks and the Agent desire to amend the Security Agreement in order to release certain of said Collateral from the lien of the Security Agreement and to make certain other changes to conform the Security Agreement to amendments made pursuant to the Amended Credit Agreement and to restate the Security Agreement to read in its entirety as set forth below. Accordingly, the parties hereto agree that the Security Agreement is hereby amended and restated to read in its entirety as follows:

Section 1. Definitions. Except as the context shall otherwise require terms defined in the Amended Credit

Agreement are used herein as defined therein. In addition, as used herein:

"Acetic Unit Personal Property" shall mean the property that is the subject of the BP Bill of Sale and any other machinery, Equipment, tools, dies, furniture, license rights, patents, know-how, designs, books and records and other personal property utilized in connection with or located upon the Acetic Unit at the time of the conveyance, transfer and assignment referred to in Section 5.01(vii).

"BP Rights" shall have the meaning ascribed thereto in Section 5.15(b).

"Collateral" shall have the meaning ascribed thereto in Section 3.

"Collateral Account" shall have the meaning ascribed thereto in Section 4.01.

"Default" shall mean an event which with notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Equipment" shall mean all "equipment" (as defined in the Uniform Commercial Code) now owned or hereafter acquired by Sterling.

"Event of Default" shall mean (i) an Event of Default as defined in the Amended Credit Agreement and (ii) a deemed Event of Default pursuant to Section 10.02 of the Amended Credit Agreement.

"Project Loan Interest Swap Agreement" shall mean the Interest Exchange Agreement dated as of September 30, 1986 entered into by Sterling and Chase for the purpose of enabling Sterling to fix or place a limit on its interest obligations with respect to the Project Loans, as modified and supplemented and in effect from time to time.

"Secured Obligations" shall mean, collectively, (i) the principal of and interest (including, without limitation, any interest which accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of Sterling) on any Project Loan

or any Project Loan Note, (ii) any other amounts owing to the Secured Parties by Sterling under the Amended Credit Agreement with respect to the Project Loans, (iii) all amounts owing to the Secured Parties by Sterling hereunder, (iv) all obligations of Sterling to Chase in respect of the Project Loan Interest Swap Agreement and (v) any renewals or extensions of any of the foregoing.

"Secured Parties" shall mean, collectively, (i) the Agent, (ii) the Banks, and (iii) Chase, as a party to the Project Loan Interest Swap Agreement.

"Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in the State of New York from time to time.

Section 2. Representations and Warranties. Sterling represents and warrants to the Banks and the Agent that Sterling is and so long as the Secured Obligations remain outstanding Sterling will at all times be, the sole beneficial owner of the Collateral and no Lien exists or will exist upon any Collateral at any time, except for Liens created pursuant to, or permitted by, the Security Documents and/or the Amended Credit Agreement and except for the pledge and security interest in favor of the Agent created or provided for herein which pledge and security interest constitutes a first priority perfected pledge and security interest in and to all of the Collateral.

Section 3. Collateral. As collateral security for the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, Sterling hereby pledges and grants to the Agent, for the ratable benefit of the Secured Parties as hereinafter provided, a security interest in all of its right, title and interest in the following property, whether now owned by Sterling or hereafter acquired and whether now existing or hereafter coming into existence (all being collectively referred to herein as "Collateral"):

(a) all rights, claims and benefits of Sterling in respect of the BP Note and all other Assigned Agreements;

(b) subject to Section 5.15(b), the BP Rights;

(c) all payments due from time to time to Sterling under the Project Loan Interest Swap Agreement;

(d) the balance from time to time in the Collateral Account; and

(e) all proceeds of all or any of the property described in clauses (a) and (d) hereof.

Section 4. Cash Proceeds of Collateral.

4.01 Collateral Account. There is hereby established with the Agent a cash collateral account (the "Collateral Account") in the name and under the control of the Agent into which there shall be deposited from time to time the cash proceeds of any of the Collateral required to be delivered to the Agent pursuant hereto and into which Sterling may from time to time deposit any additional amounts which it wishes to pledge to the Agent as additional collateral security hereunder. The balance from time to time in the Collateral Account shall constitute part of the Collateral hereunder and shall not constitute payment of the Secured Obligations until applied as hereinafter provided. Except as expressly provided in the next sentence, the Agent shall remit the collected balance outstanding to the credit of the Collateral Account to or upon the order of Sterling as Sterling shall from time to time instruct. However, upon the occurrence and continuation of an Event of Default, the Agent may (and, if instructed by the Majority Banks, shall) in its (or their) discretion apply or cause to be applied (subject to collection) the balance from time to time standing to the credit of the Collateral Account to the payment of the Secured Obligations in the manner specified in Section 5.08. The balance from time to time in the Collateral Account shall be subject to withdrawal only as provided herein.

4.02 Proceeds of Collateral. Sterling agrees that if the proceeds of any Collateral hereunder shall be received by it, Sterling shall as promptly as possible deposit such proceeds into the Collateral Account. Until so deposited, all such proceeds shall be held in trust by Sterling for and as the property of the Agent and shall not be commingled with any other funds or property of Sterling.

4.03 Investment of Balance in Collateral Account. Amounts on deposit in the Collateral Account shall be invested from time to time in such Liquid Investments as Sterling (or, after the occurrence and during the continuance

of an Event of Default, the Agent) shall determine, which Liquid Investments shall be held in the name and be under the control of the Agent, provided that (i) upon the occurrence and continuance of an Event of Default the Agent may (and, if instructed by the Majority Banks, shall) in its (or their) discretion at any time and from time to time elect to liquidate any such Liquid Investments and to apply or cause to be applied the proceeds thereof to the payment of the Secured Obligations in the manner specified in Section 5.08.

Section 5. Further Assurances; Remedies. In furtherance of the grant of security in Section 3 hereof, Sterling hereby agrees with the Agent as follows:

5.01 Delivery and Other Perfection. Sterling shall:

(i) deliver and assign to the Agent the BP Note and the Agent shall hold in its possession the BP Note subject to the provisions of this Agreement; Sterling hereby appoints the Agent its agent for the purposes of making any notations to the BP Note that may be required and such notations shall, absent manifest error, be conclusive evidence of all amounts owing under the BP Note; Sterling agrees that it will advise the Agent of such amounts owed to it pursuant to the BP Note at any time the Agent reasonably requests such information and in the event that the Agent shall deliver the BP Note to Sterling for any reason during the term of this Agreement, Sterling hereby agrees to redeliver the BP Note to the Agent no later than three (3) Business Days following its receipt thereof;

(ii) give, execute, deliver, file and/or record any financing statement, notice, instrument, document, agreement or other papers that may be necessary or (in the judgment of the Agent) desirable to create, preserve, perfect or validate any security interest granted pursuant hereto or to enable the Agent to exercise and enforce its rights hereunder with respect to such security interest;

(iii) upon the acquisition after the date hereof by Sterling of any Equipment included

in the Acetic Unit Personal Property and covered by a certificate of title, Sterling will cause the Agent to be listed as the lienholder on such certificate of title and within 120 days of the acquisition thereof deliver evidence of the same to the Agent;

(iv) keep full and accurate books and records relating to the Collateral, and stamp or otherwise mark such books and records in such manner as the Agent may reasonably require in order to reflect the security interests granted by this Agreement;

(v) subject to Section 12.07 of the Amended Credit Agreement permit representatives of the Agent to inspect the Collateral and to examine and make extracts and copies from the books and records of Sterling and any of its subsidiaries pertaining to the Collateral during normal business hours, and permit representatives of the Agent to be present at Sterling's place of business to receive copies of all communications and remittances relating to the Collateral, all in such manner as the Agent may require;

(vi) with respect to any property listed on Schedule 1 hereto which may become subject to the lien hereunder pursuant to clause (vii) hereof, Sterling agrees that within 10 Business Days of a written request from the Agent to Sterling, Sterling will at its cost and expense, cause to be plainly, distinctly, permanently and conspicuously placed, fastened, or painted upon each side of each item of such property a legend bearing such words the Agent may request indicating the lien over and security interest in such property created hereby in letters not less than one inch in height;

(vii) take any action (including, without limitation, execute and deliver any instrument, remedy any condition, not permit the occurrence of any contingency or the existence of any state of affairs, make any payment and give any notice) required by it to be done to obtain on or prior to August 1, 1996 good and

marketable title in the Acetic Unit Personal Property from BP pursuant to the terms of the BP Bill of Sale free and clear of any lien, mortgage, security interest or other encumbrance and Sterling shall not from the date hereof enter into any arrangement, or agreement or otherwise take or fail to take any action or suffer to exist any condition that could result in such title not being obtained by Sterling from BP pursuant to the terms of the BP Bill of Sale. Upon obtaining of such title by Sterling the Acetic Unit Personal Property and the property described in Schedule 1 hereto shall become subject to the lien and security interests created by this Agreement.

5.02 Other Financing Statements and Liens. Sterling hereby represents and warrants that there is no financing statement or like instrument covering or purporting to cover any interest of any kind in the Collateral on file in any jurisdiction except such instruments filed or to be filed in respect of and covering the security interests granted hereby or filed in respect of the Liens otherwise permitted pursuant to Section 9.16 of the Amended Credit Agreement. Without the prior written consent of the Agent (except as otherwise permitted under Section 9.16 of the Amended Credit Agreement), Sterling shall not file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Agent is not named as the sole secured party for the benefit of the Secured Parties.

5.03 Preservation of Rights. The Agent shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

5.04 Events of Default, etc. During the period an Event of Default shall have occurred and be continuing:

(i) Sterling shall, at the request of the Agent, assemble, store and keep the Collateral at such place or places designated by the Agent;

(ii) the Agent may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of

payment or otherwise modify the terms of any of the Collateral;

(iii) the Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the Uniform Commercial Code (whether or not said Code is in effect in the jurisdiction where the rights and remedies are asserted);

(iv) the Agent may, in its name or in the name of Sterling or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so;

(v) the Agent may withdraw all monies and Liquid Investments in the Collateral Account for application in the manner provided in Section 5.08 hereof;

(vi) the Agent may, upon 10 Business Days' prior written notice to Sterling of the time and place with respect to the Collateral or any part thereof which shall then be or shall thereafter come into the possession, custody or control of the Agent, the Secured Parties or any of their respective agents, sell, lease, assign or otherwise dispose of all or any of such Collateral, at such place or places as the Agent deems best, and for cash or on credit or for future delivery (without thereby assuming any credit risk) at public or private sale, without demand of performance or notice of intention to effect any such disposition or of time or place thereof (except such notice as is required above or by applicable statute and cannot be waived) and the Agent or any Secured Party or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale), and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any equity of redemption, of Sterling, any such demand, notice or right and equity being hereby expressly waived and released. The proceeds of each collection, sale or other disposition under

this Section 5.04 shall be applied in accordance with Section 5.08.

5.05 Deficiency. If the proceeds of sale, collection or other realization of or upon the Collateral are insufficient to cover the costs and expenses of such realization and the payment in full of the Secured obligations, Sterling shall remain liable for any deficiency.

5.06 Removals, etc. Without 60 days prior written notice to the Agent, Sterling shall not change the location of its chief executive office or its principal place of business from the address indicated beneath its signature on the Amended Credit Agreement.

5.07 Private Sale. The Agent and the Secured Parties shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale conducted in a commercially reasonable manner. Sterling hereby waives any claims against the Agent or any Secured Party arising by reason of the fact that the price at which the Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Secured Obligations, even if the Agent accepts the first offer received and does not offer the Collateral to more than one offeree.

5.08 Application of Proceeds. Except as otherwise herein expressly provided:

(a) The proceeds of any collection, sale or other realization of all or any part of the Collateral, and any other cash at the time held by the Agent under this Section 5 or Section 4 hereof, other than any such proceeds or cash that are directly attributable to interest payments made or to be made by BP under the BP Note (including any interest due on past due interest on the BP Note), shall be applied by the Agent:

First, to the payment of the costs and expenses of such collection, sale or other realization, including reasonable compensation to the Agent and its agents and counsel, and all expenses, and advances made or incurred by the Agent in connection therewith together with interest at the Post-Default Rate on such costs, expenses, compensation and advances from the date any such cost, expense or liability is due, owing or unpaid or any such

advance is made, and all other amounts payable by Sterling hereunder, in each case until paid in full;

Second, to the payment in full of the principal of and interest on the Project Loans and all other amounts owing to the Secured Parties by Sterling under the Amended Credit Agreement with respect to the Project Loans, ratably in accordance with the respective amounts thereof then due and owing or as such Secured Parties may otherwise agree;

Third, if such obligations are outstanding at the time of such application, to the payment of all obligations of Sterling to Chase under the Project Loan Interest Swap Agreement; and

Finally, to the payment to Sterling, or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

(b) The proceeds of any collection, sale or other realization of all or any part of the interest payments made or to be made by BP under the BP Note (including any interest due on past due interest on the BP Note) and any other cash at the time held by the Agent that is attributable to interest payments made by BP under the BP Note (including any interest due on past due interest on the BP Note) under this Section 5 or Section 4 of the Agreement, shall be applied by the Agent:

First, to the payment of the costs and expenses of such collection, sale or other realization, including reasonable compensation to the Agent and its agents and counsel, and all expenses, and advances made or incurred by the Agent in connection therewith together with interest at the Post-Default Rate on such costs, expenses, compensation and advances from the date any such cost, expense or liability is due, owing or unpaid or any such advance is made, and all other amounts payable by Sterling hereunder, in each case until paid in full;

Second, if such obligations are outstanding at the time of such application, to the payment of all obligations of Sterling to Chase under the Project

Loan Interest Swap Agreement (other than any termination payments Sterling may owe in connection with the termination of the Project Loan Interest Swap Agreement, the obligation to make such payments being hereafter referred to as the "Swap Termination Obligations") ratably in accordance with the respective amounts thereof then due and owing or as the Secured Parties may otherwise agree;

Third, to the payment in full of the principal of and interest on the Project Loans and all other amounts owing to the Secured Parties by Sterling under the Amended Credit Agreement with respect to the Project Loans and the Swap Termination Obligations, ratably in accordance with the respective amounts thereof then due and owing or as such Secured Parties may otherwise agree;

Finally, to the payment to Sterling, or its successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

As used in this Section 5, "proceeds" of Collateral shall mean cash, securities and other property realized in respect of, and distributions in kind of, Collateral, including any thereof received under any reorganization, liquidation or adjustment of debt of Sterling or any issuer of or obligor on any of the Collateral.

5.09 Attorney-in-Fact. Without limiting any rights or powers granted by this Agreement to the Agent while no Event of Default has occurred and is continuing, upon the occurrence and during the continuance of any Default the Agent is hereby appointed the attorney-in-fact of Sterling for the purpose of carrying out the provisions of this Section 5 and taking any action and executing any instruments which the Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, so long as the Agent shall be entitled under this Section 5 to make collections in respect of the Collateral, the Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of Sterling in respect of the Collateral or any part thereof and to give full discharge for the same.

5.10 No Waiver by Agent. No failure on the part of the Agent or any of its agents to exercise, and no course of dealing with respect to, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by the Agent or any of its agents of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

5.11 Termination. When all Secured Obligations shall have been paid in full, the Project Loan Commitments under the Amended Credit Agreement terminated and the commitments to extend credit and make payments under the Project Loan Interest Swap Agreement shall have expired or been terminated, this Agreement shall terminate, and the Agent shall forthwith cause to be assigned, transferred and delivered, against receipt but without any recourse, warranty or representation whatsoever, any remaining Collateral and money received in respect thereof, to or on the order of Sterling.

5.12 Expenses. Sterling agrees to pay to the Agent all out-of-pocket expenses (including reasonable expenses for legal services of every kind) of, or incident to, the enforcement of any of the provisions of this Section 5, or performance by the Agent of any obligations of Sterling in respect of the Collateral which Sterling has failed or refused to perform, or any actual or attempted sale, or any exchange, enforcement, collection, compromise or settlement in respect of any of the Collateral, and for the care of the Collateral and defending or asserting rights and claims of the Agent in respect thereof, by litigation or otherwise, including expenses of insurance, and all such expenses shall be Secured Obligations to the Agent secured under Section 2 thereof.

5.13 Further Assurances. Sterling agrees that from time to time upon the written request of the Agent, Sterling will execute and deliver such further documents and do such other acts and things as the Agent may reasonably request in order fully to effect the purposes of this Agreement.

5.14 Waiver of Claims. Except as otherwise provided in this Agreement, Sterling hereby waives, to the extent permitted by applicable law, (i) notice or judicial hearing in connection with the Agent's taking possession or

the Agent's disposition of any of the Collateral including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which Sterling would otherwise have under the constitution or any statute of the United States or of any state, and (ii):

(a) all damages occasioned by such taking of possession except any damages which are the direct result of the Agent's gross negligence or willful misconduct;

(b) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Agent's rights hereunder; and

(c) all rights of redemption, appraisement, valuation, stay, extension or moratorium now or hereafter in force under any applicable law in order to prevent or delay the enforcement of this Agreement or the absolute sale of the Collateral or any portion thereof, and Sterling, for itself and all that may claim under it, insofar as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws.

Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity of Sterling therein and thereto, and shall be a perpetual bar both at law and in equity against Sterling and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through and under Sterling.

5.15 Assigned Agreements. (a) Sterling hereby irrevocably authorizes and empowers Agent for and on behalf of the Secured Parties in Agent's sole discretion, to assert, either directly or on behalf of Sterling any claims Sterling may have, from time to time, against any other party to the Assigned Agreements or to otherwise exercise any right or remedy of Sterling under the Assigned Agreements (including, without limitation, the right to enforce directly against any party to an Assigned Agreement all of Sterling's rights thereunder, to make all demands and give all notices and make all requests required or permitted to be made by Sterling under the Assigned Agreements) as Agent may deem proper. Sterling hereby irrevocably makes, constitutes and appoints Agent (and all officers, employees or agents designated by

Agent) as Sterling's true and lawful attorney-in-fact for the purpose of enabling the Agent to assert and collect such claims and to exercise such rights and remedies. Sterling shall keep Agent informed of all material circumstances bearing upon the right, title and interest of Sterling under the Assigned Agreements.

(b) the Agent on behalf of the Secured Parties, acknowledges that pursuant to the Assignment of Contract Rights dated as of August 1, 1986 between BP and Sterling (as attached hereto as Exhibit A and as in effect on the date hereof the "BP Contract Assignment"), Sterling will assign to BP those rights, claims and benefits of Sterling under the Asset Purchase Agreement that are more particularly described in Exhibit A to the BP Contract Assignment (the "BP Rights") upon the happening of certain contingencies. The Agent, for and on behalf of the Secured Parties, acknowledges that, during the term of the BP Contract Assignment, only for the period from the Consent Effective Date (as defined in the BP Contract Assignment) until the Reversion Date (as such term is defined in the "BP Contract Assignment"), (the "Assignment Period") any security interest or rights and remedies of the Agent and Secured Parties with respect to the BP Rights pursuant to this Security Agreement shall be subject to, and subordinate to, the security interest, rights and remedies of BP pursuant to the BP Contract Assignment; provided that nothing contained in this section 5.15 shall be construed to modify, diminish or affect the rights, remedies and security interest of the Agent and the Secured Parties hereunder with respect to any of the Collateral (other than the BP Rights) or to the BP Rights at any time other than the Assignment Period.

6. Miscellaneous.

6.01 Initial Financing Statements. Prior to or concurrently with the execution and delivery of this Agreement, Sterling shall file such financing statements and other documents in such offices, and give notice to such Persons, as the Agent may request to perfect the security interests granted by Section 3 of this Agreement.

6.02 Taxes. Sterling agrees to pay before delinquency any tax or other governmental charge which is or can become through assessment, distraint or otherwise a Lien on the Collateral and to pay any tax or other governmental charge which may be levied on the transactions hereunder.

6.03 GOVERNING LAW. EXCEPT AS OTHERWISE PROVIDED BY MANDATORY PROVISIONS OF APPLICABLE LAW, THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

6.04 Notices. All notices, requests, consents and demands hereunder shall be in writing and telexed, telecopied, telegraphed, cabled or delivered to the intended recipient at its address or telex number specified pursuant to Section 12.02 of the Amended Credit Agreement and shall be deemed to have been given at the times specified in said Section 12.02.

6.05 Waivers etc. The terms of this Agreement may be waived, altered or amended only by an instrument in writing duly executed by Sterling and the Agent. Any such amendment or waiver shall be binding upon the Agent and each Secured Party, each subsequent holder of any Secured Obligation, and each other party to this Agreement.

6.06 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of Sterling, the Agent, the Secured Parties and each subsequent holder of the Secured Obligations (provided, however that Sterling shall not assign or transfer its rights hereunder without the prior written consent of the Secured Parties).

6.07 Counterparts; Effectiveness. This Agreement may be executed in one or more counterparts and all of such counterparts taken together shall constitute one and the same instrument. This Agreement shall become effective on and as of the Effective Date.

IN WITNESS WHEREOF, the parties hereto have caused
this Agreement to be duly executed as of the day and year
first above written.

STERLING CHEMICALS, INC.

By: D. W. Metten
Title: Vice President

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
as Agent

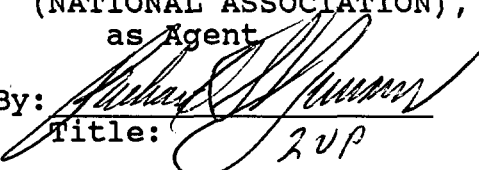
By: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

STERLING CHEMICALS, INC.

By: _____
Title: _____

THE CHASE MANHATTAN BANK
(NATIONAL ASSOCIATION),
as Agent

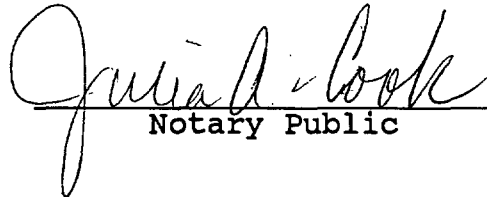
By: 
Title: 2VP

STATE OF TEXAS)

COUNTY OF HARRIS) ss.:

On this 6th day of April, 1988 before me personally appeared, D. W. Metten, to me personally known, who being by me duly sworn, says that he is the Vice President of Sterling Chemicals, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]


Notary Public

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

On the 6th day of April, 1988 before me personally came Richard Burrows, to me known, who, being by me duly sworn, did depose and says that he resides at 78 Perth Avenue, New Rochelle; that he is a 2nd V.P. of THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION), the association described in and which executed the above instrument; and that he signed his name thereto by order of the board of directors of said association.

Renee P. Guistino (Guistino)
Notary Public

RENEE P. GUISTINO
Notary Public, State of New York
No. 31-48018901
Qualified in New York County
Commission Expires Aug. 31, 1988

SCHEDULE 1

EXCLUDED PROPERTY

Acetic Acid Railcars Owned By Sterling:

<u>CAR NUMBER</u>	<u>DOT</u>	<u>CLASSIFICATION</u>	<u>AAR</u> <u>DESIGNATION</u>	<u>PRODUCT</u>	<u>CAPACITY</u> <u>(K) GALLONS</u>
MONX-13349	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13352	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13354	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13358	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13359	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13362	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13364	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13369	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13374	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13373	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13376	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13377	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13379	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13381	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13382	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13383	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13385	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13386	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13387	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13389	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13390	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13391	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13392	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13394	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13395	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13396	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13397	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13398	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13399	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13400	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13401	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13402	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13403	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13405	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13407	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13408	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13409	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13411	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13412	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13413	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13414	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13415	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13416	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13417	DOT	111A60ALW1	T016	ACETIC ACID	23
MONX-13418	DOT	111A60ALW1	T016	ACETIC ACID	23

CONSENT TO ASSIGNMENT

1. Consent to Assignment and Reversion. Subject to the terms and conditions set forth herein, MONSANTO COMPANY, a Delaware corporation ("Monsanto"), hereby consents to (a) the assignment by STERLING CHEMICALS, INC., a Delaware corporation ("Sterling"), of Sterling's rights against Monsanto under the Asset Purchase Agreement dated as of August 1, 1986 between Monsanto and Sterling (the "Agreement") and the conveyance instruments executed by Monsanto and delivered to Sterling in connection therewith ("Conveyance Instruments") to BP Chemicals Americas Inc., a Delaware corporation ("BP") to the extent and only to the extent that such Rights relate solely to the Acetic Acid Unit at the Texas City, Texas plant described in Exhibit A hereto ("Rights"), and (b) the reversion of the Rights to Sterling as contemplated in Section 2.2 below.

2. Assignment, Acceptance and Assumption.

2.1. Subject to the conditions set forth in Section 3 hereof, Sterling hereby assigns, effective upon the Consent Effective Date (as defined herein) and until the the Reversion Date (as defined herein) to BP the Rights. BP hereby accepts such assignment and hereby assumes, from and

after the Consent Effective Date (as defined herein) until the Reversion Date (as defined herein), all of Sterling's obligations under the Asset Purchase Agreement and the agreements and instruments executed by Sterling and delivered to Monsanto in connection therewith to the extent and only to the extent that such obligations relate to the Acetic Acid Unit after the Consent Effective Date and until the Reversion Date ("Obligations").

2.2. The Rights will automatically revert to Sterling on the tenth anniversary date of the date hereof ("Reversion Date"). BP shall be and remain liable only for the Obligations arising after the Consent Effective Date and prior to the Reversion Date.

3. Conditions To Effectiveness of Consent. The consent to assignment in Section 1 shall be effective only on the date of receipt by Monsanto (the "Consent Effective Date"), occurring within ten years from the date hereof, of a Certificate, substantially in the form attached hereto as Exhibit B, properly authorized and executed by BP.

4. No Impairment. Neither the assignment of the Rights nor anything contained herein shall (a) diminish or impair any defense, claim or right now existing or hereafter

arising under or in connection with the Agreement, the Conveyance Instruments or the other instruments and documents delivered at the Closing of the transactions contemplated by the Agreement (the "Other Instruments") or in any way preclude Monsanto from asserting against Sterling or BP any such defenses, claims or rights with respect to any obligations, (b) increase or diminish in any manner whatsoever the obligations or duties of Monsanto under the Agreement, the Conveyance Instruments or the Other Instruments or (c) relieve Sterling of any of its obligations or duties under the Agreement, the Conveyance Instruments or the Other Instruments.

5. Subject To Agreement. The Rights are subject to all terms and conditions of the Agreement, the Conveyance Instruments and the Other Instruments except that (a) the sale and lease-back of the Acetic Acid Unit among Sterling and BP effective as of the date hereof; (b) the assignment of the Rights to BP as contemplated hereby; or (c) the exercise of BP's rights to take possession of the Acetic Acid Unit as described in Exhibit "C", after the Consent Effective Date shall not in and of themselves constitute a "change of control" pursuant to Article 27.6 of the Agreement, provided that if BP exercises its rights described on Exhibit "C" attached hereto to take possession of the Acetic Acid Unit before the Consent Effective Date, the same shall

constitute a "change of control" with respect to the Acetic Acid Unit.

6. No Assignment. Neither Sterling (except as otherwise provided in Section 2.1 hereof) nor BP shall assign the rights, by operation of law or otherwise, in whole or in part, without the prior written consent of Monsanto.

7. Notices. Any notice, reply, demand or other communication required or permitted to be given hereunder shall be in writing, and shall be deemed sufficiently given when delivered in person or transmitted by telegram, or when deposited in the United States mail (registered or certified) postage prepaid, to the addresses given below or sent by telex to the telex numbers set forth below provided that the telex shall reflect the answerback of the receiving party:

Monsanto:

Monsanto Company
800 North Lindbergh Boulevard
St. Louis, Missouri 63167

Attn: Mr. Earl N. Brasfield
Vice President

Telex No. 447282

Answerback: Monsanto STL

Sterling:

Sterling Chemicals, Inc.
Eight Greenway Plaza, Suite 702
Houston, Texas 77046

Attn: President

Telex No. 76-2141

Answerback: Bracepat-Houston

BP: BP Chemicals Americas Inc.
411 Theodore Fremd Avenue
Rye, New York 10580

Copy To: BP Chemicals Americas Inc.
1 Second Avenue South
Texas City, Texas 77590

Any party may change its address, telex numbers or answer-back by notice to the other parties in the manner set forth above.

8. Assignment. No party may assign its rights or obligations under this Consent or any portion thereof, by operation of law or otherwise, to any person or entity without the prior written consent of the other parties.

9. Successors and Assigns. This Consent shall be binding upon Monsanto, Sterling and BP and their respective permitted successors and assigns, if any.

10. Amendment. No amendment or modification to the Agreement, insofar as it relates to the Acetic Acid Unit described on Exhibit A hereto may be made without the prior written consent of each party to this Consent.

Dated and Effective as of August 1, 1986.

Monsanto Company

By Don R. Davies
Name: Don R. Davies
Title: Plant Controller

DRAFT

Sterling Chemicals, Inc.

By

Name:

Title

BP Chemicals Americas Inc.

By

Name

~~File~~

GUARANTY

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned BP North America Inc., a Delaware corporation ("BPNA") and the owner of all of the issued and outstanding shares of capital stock of BP Chemicals Americas Inc., a Delaware corporation ("BPCA"), hereby unconditionally guarantees the timely performance of all obligations of BPCA under the terms of the foregoing Consent to Assignment ("Consent"). On default by BPCA under the Consent, Sterling and Monsanto may, at their respective sole options, proceed directly and at once against BPNA to enforce its obligations under this unconditional guaranty, without notice to BPCA or the necessity for proceeding or taking any action against BPCA. BPNA hereby consents to any amendments to the Consent approved in writing by BPCA.

BP North America, Inc.

By _____

Name: _____

Title: _____

91JLBSA

METES AND BOUNDS DESCRIPTION
77,729 S.F. OUT OF A 237.0539 ACRE TRACT
NORMAN HURD SURVEY, A-77
SYLVESTER BOWEN SURVEY, A-24
JOHN GRANT SURVEY, A-72
JAMES B. WELLS SURVEY
TEXAS CITY, GALVESTON COUNTY, TEXAS

All that certain 77,729 square feet of land out of a 237.0539 acre tract out of the Norman Hurd Survey, A-77, Sylvester Bowen Survey, A-24, John Grant Survey, A-72, James B. Wells Survey, Texas City, Galveston County, Texas and being more particularly described by metes and bounds as follows:

Commencing at a set 5/8" iron rod located in the south right-of-way line of 4th Avenue South (70' wide) at its intersection with the east right-of-way line of 6th Street (100' wide); Thence S 00° 23' 20" E - 143.19'; Thence N 89° 36' 40" E - 1,069.61' to the POINT OF BEGINNING of the herein described parcel;

Thence N 0° 23' 20" W - 439.50' to a point;

Thence N 89° 36' 40" E - 294.60' to a point;

Thence S 0° 23' 20" E - 141.50' to a point;

Thence S 89° 36' 40" W - 152.90' to a point;

Thence S 0° 23' 20" E - 293.00' to a point;

Thence S 89° 36' 40" W - 125.70' to the POINT OF BEGINNING and containing 77,729 square feet.

Prepared By:
Prepar & Company Inc.,
Surveying and Mapping

July 30, 1985



[Handwritten signature]

TRACT 2
SYNGAS UNIT
METES AND BOUNDS DESCRIPTION
96,295 S. F. OUT OF A 237.0539 ACRE TRACT
OUT OF THE NORMAN HURD SURVEY, A-77
SYLVESTER BOWEN SURVEY, A-24
JOHN GRANT SURVEY, A-72
JAMES B. WELLS SURVEY
TEXAS CITY, GALVESTON COUNTY, TEXAS

that certain 96,295 square feet of land out of a 237.0539 acre tract out of the Norman Hurd Survey, A-77, Sylvester Bowen Survey, A-24, John Grant Survey, A-72 and James B. Wells Survey, Texas City, Galveston County, Texas and being more particularly described by metes and bounds as follows:

Commencing at a set 5/8" iron rod located in the south right-of-way line of 4th Avenue South (70' wide) at its intersection with the east right-of-way line of 1st Street (100' wide); Thence S 00° 23' 20" E - 112.22'; Thence N 89° 36' 40" E - 1521.94' to the POINT OF BEGINNING of the herein described parcel;

Thence S 89° 13' 04" E - 228.21' to a point for corner;

Thence S 01° 28' 20" E - 252.06' to a point for corner;

Thence S 88° 44' 19" E - 112.24' to a point for corner;

Thence S 02° 12' 19" W - 113.22' to a point for corner;

Thence S 88° 28' 45" W - 197.05' to a point for corner;

Thence N 01° 56' 59" E - 19.03' to a point for corner;

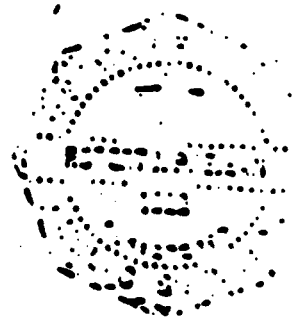
Thence S 89° 19' 25" W - 142.19' to a point for corner;

Thence N 00° 38' 23" W - 358.61' to the POINT OF BEGINNING and containing 96,295 square feet (2.2106 acres) of land, more or less.

Prepared by:

HELAN & COMPANY, INC.
Surveying/mapping

July 30, 1986



FLARE FOR SYNGAS UNIT
METES AND BOUNDS DESCRIPTION
796 S.F. OUT OF A 237.0539 ACRE TRACT
OUT OF THE NORMAN HURD SURVEY, A-77
SYLVESTER BOWEN SURVEY, A-24
JOHN GRANT SURVEY, A-72
JAMES B. WELLS SURVEY
TEXAS CITY, GALVESTON COUNTY, TEXAS

to that certain 796 square feet of land out of a 237.0539 acre tract out of the
Norman Hurd Survey, A-77, Sylvester Bowen Survey, A-24, John Grant Survey, A-72,
and James B. Wells Survey, Texas City, Galveston County, Texas and being more
particularly described by metes and bounds as follows:

Beginning at a set 5/8" iron rod located in the south right-of-way line of 4th
Street South (70' wide) at its intersection with the east right-of-way line of 6th
Street (100' wide); Thence S 00° 23' 20" E - 467.50'; Thence N 89° 36' 40" E -
24.50' to the POINT OF BEGINNING of the herein described parcel;

THENCE N 00° 23' 20" W - 32.50' to a point for corner;

THENCE N 89° 36' 40" E - 24.50' to a point for corner;

THENCE S 00° 23' 20" E - 32.50' to a point for corner;

THENCE S 89° 36' 40" W - 24.50' to the POINT OF BEGINNING and containing 796 square
feet of land, more or less.

Attested by:

WELLS & COMPANY, INC.
Surveying/mapping

July 10, 1986



[Handwritten signature]

DAY TANKS SITE
METES AND BOUNDS DESCRIPTION
4,773 S.F. OUT OF A 237.0539 ACRE TRACT
OUT OF THE NORMAN HURD SURVEY, A-77
SYLVESTER BOWEN SURVEY, A-24
JOHN GRANT SURVEY, A-72
JAMES B. WELLS SURVEY
TEXAS CITY, GALVESTON COUNTY, TEXAS

Be: that certain 4,773 square feet of land out of a 237.0539 acre tract out of the
Norman Hurd Survey, A-77, Sylvester Bowen Survey, A-24, John Grant Survey, A-72,
James B. Wells Survey, Texas City, Galveston County, Texas and being more
particularly described by metes and bounds as follows:

Beginning at a set 5/8" iron rod located in the south right-of-way line of 4th
Street South (70' wide) at its intersection with the east right-of-way line of
10th Street (100' wide); Thence S 00° 23' 20" E - 470.50'; Thence N 89° 36' 40" E -
228.30' to the POINT OF BEGINNING of the herein described parcel;

THENCE N 00° 23' 20" W - 64.50' to a point for corner;

THENCE N 89° 36' 40" E - 74.00' to a point for corner;

THENCE S 00° 23' 20" E - 64.50' to a point for corner;

THENCE S 89° 36' 40" W - 74.00' to the POINT OF BEGINNING and containing 4,773
square feet of land, more or less.

Witnessed by:

WELLS & COMPANY, INC.
Surveying/Mapping

May 30, 1986



56,220 SQUARE FEET GROUND LEASE
JOHN GRANT SURVEY, A - 72
SYLVESTER BOWEN SURVEY, A - 24
TEXAS CITY, GALVESTON COUNTY, TEXAS

out certain 56,220 square feet for ground lease out of the John Grant Survey, A - 72 and the Sylvester Bowen Survey, A - 24 in Texas City, Galveston County, Texas and being more particularly described by metes and bounds as follows:

beginning at a set 5/8" iron rod marking the southeast corner of that certain 22.71 acre tract of land described in a deed dated 8-19-1969 from Texas City Terminal Railway Company to Monsanto Company filed at Volume 2051, Page 654 Galveston County Deed Records, thence N 00° 51' 00" W - 389.07', along the east line of said 22.71 acre tract westerly of, parallel with and 50' perpendicular distance from the centerline of said flood wall, to a set 5/8" iron rod set for the southerly southeast corner of said 22.71 acre tract, thence N 20° 52' 05" W - 209.63', continuing along the east line of said 22.71 acre tract, to a set 5/8" iron rod for angle point, thence N 89° 52' E - 80.15', along an interior south line of said 22.71 acre tract, to a set 5/8" iron rod for corner, thence N 20° 52' 05" W - 82.13', along the east line of said flood wall, to a set 5/8" iron rod for corner, thence N 00° 50' 20" E - 204.69', along the east line of said 22.71 acre tract being easterly of, parallel with and 25' perpendicular distance from the centerline of said flood wall, to a point for corner, thence N 89° 09' 40" W - 86.82', to the POINT OF BEGINNING of the herein described tract:

thence N 01° 17' 29" E - 143.99', to a point for corner;

thence S 75° 20' 45" W - 306.41', to a point for corner;

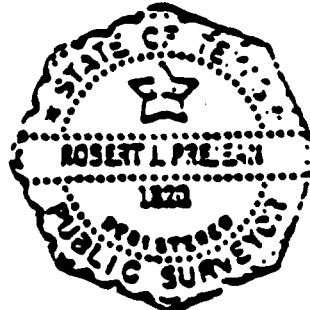
thence S 00° 36' 19" E - 242.45', to a point for corner;

thence N 89° 33' 49" E - 137.79', to a point for corner;

thence N 16° 37' 18" W - 126.42', to a point for corner;

thence N 74° 06' 25" E - 196.52', to the POINT OF BEGINNING and containing 56,220 square feet for ground lease more or less.

Drafted By:
Brown and Company, Inc.
Surveying and Mapping
4/30/1986



[Handwritten signature]

METHANOL TANK SITE
METES AND BOUNDS DESCRIPTION
72,362 S. F. OUT OF A 237.0539 ACRE TRACT
OUT OF THE NORMAN HURD SURVEY, A-77
SYLVESTER BOWEN SURVEY, A-24
JOHN GRANT SURVEY, A-72
JAMES B. WELLS SURVEY
TEXAS CITY, GALVESTON COUNTY, TEXAS

All that certain 72,362 square feet of land out of a 237.0539 acre tract out of the Norman Hurd Survey, A-77, Sylvester Bowen Survey, A-24, John Grant Survey, A-72 and James B. Wells Survey, Texas City, Galveston County, Texas and being more particularly described by metes and bounds as follows:

Commencing at a set 5/8" iron rod located in the south right-of-way line of 4th Avenue South (70' wide) at its intersection with the east right-of-way line of 6th Street (100' wide); Thence S 00° 23' 20" E - 438.00'; Thence N 89° 36' 40" E - 30.00' to the POINT OF BEGINNING of the herein described parcel;

Thence N 00° 23' 20" W - 373.00' to a point for corner;

Thence N 89° 36' 40" E - 194.00' to a point for corner;

Thence S 00° 23' 20" E - 373.00' to a point for corner;

Thence S 89° 36' 40" W - 194.00' to the POINT OF BEGINNING and containing 72,362 square feet of land, more or less.

Drafted by:

DEAN & COMPANY, INC.
Surveying/mapping

July 30, 1986



CARBON DIOXIDE SITE
METES AND BOUNDS DESCRIPTION
10,360 S.F. OUT OF A 237.0539 ACRE TRACT
OUT OF THE NORMAN PURD SURVEY, A-77
SYLVESTER BOWEN SURVEY, A-24
JOHN GRANT SURVEY, A-72
JAMES B. WELLS SURVEY
TEXAS CITY, GALVESTON COUNTY, TEXAS

That certain 10,360 square feet of land out of a 237.0539 acre tract out of the Norman Hurd Survey, A-77, Sylvester Bowen Survey, A-24, John Grant Survey, A-72, and James B. Wells Survey, Texas City, Galveston County, Texas and being more particularly described by metes and bounds as follows:

Beginning at a set 5/8" iron rod located in the south right-of-way line of 4th Avenue South (70' wide) at its intersection with the east right-of-way line of 15th Street (100' wide); Thence N 89° 36' 40" E - 1,882.50'; Thence N 00° 23' 20" W - 285.00' to the POINT OF BEGINNING of the herein described parcel;

Thence N 00° 23' 20" W - 285.00' to a point for corner;

Thence N 89° 36' 40" E - 27.00' to a point for corner;

Thence S 00° 23' 20" E - 220.00' to a point for corner;

Thence N 89° 36' 40" E - 41.00' to a point for corner;

Thence S 00° 23' 20" E - 65.00' to a point for corner;

Thence S 89° 36' 40" W - 68.00' to the POINT OF BEGINNING and containing 10,360 square feet of land, more or less.

Drawn by:

REED & COMPANY, INC.
Surveying/mapping

4/10, 1986



EXHIBIT "B"

Certificate

The undersigned hereby certifies to Monsanto Company that BP Chemicals Americas Inc. ("BP") has not exercised its rights described on Exhibit "C" to that certain Consent dated August 1, 1986 among Sterling Chemicals, Inc., BP and Monsanto Company to take possession of the Acetic Acid Unit.

Dated _____, 19__.

BP Chemicals Americas Inc.

By _____
Name: _____
Title: _____

91JLBSA

EXHIBIT "C"

Upon the occurrence of any Lease Event of Default, BP shall have the right, at its election, to terminate this Agreement, in which event the Company shall surrender the Unit to BP within thirty (30) days after receipt of written notice from BP that a Lease Event of Default has occurred, and if the Company fails so to do BP may, without prejudice to any other remedy which it may have for possession, enter upon and take possession of the Unit and expel or remove the Company and any other person or entity who may be occupying the Unit or any part thereof, without being liable for prosecution or any claim of damages or expenses incurred by BP in expelling or removing the Company and entering upon and taking possession of the Unit (including, but not limited to reasonable attorney's fees), and all necessary costs and expenses incurred by BP in repairing any damage to or destruction of the Unit arising as a result of or caused by the negligence or willful misconduct of the Company, its agents or employees. Failure by BP to enforce the remedy herein provided upon any Lease Event of Default shall not be deemed or construed to constitute a waiver of such default or of any other violations or breach of any of the terms, provisions and covenants herein contained. No waiver by BP of any breach by the Company of any of the Company's obligations, agreements or covenants hereunder shall be a waiver of any subsequent breach or of any other obligation, agreement or covenant, nor shall any forbearance by BP to seek such remedy for any breach by the Company be a waiver by BP of its rights and remedy with respect to such subsequent breach. The foregoing remedy of BP to terminate this Agreement and to enter upon and take possession of the Unit shall be exclusive of any other remedy provided at law or in equity; provided, however, that nothing contained in this Agreement shall prohibit BP from (i) securing injunctive relief or any other relief or remedy necessary to enforce its right of entry upon and possession

of the Unit, or (ii) seeking and recovering Damages and/or holdover rentals from the Company in the event that the Company holds over in the Unit after the termination of the Lease Term pursuant to the provisions of this Section 2.13, or in the event BP's remedy pursuant to the provisions of this Section 2.13 is deemed or construed to be illegal, invalid or unenforceable for any reason whatsoever.